



# State of Utah

School and Institutional  
TRUST LANDS ADMINISTRATION

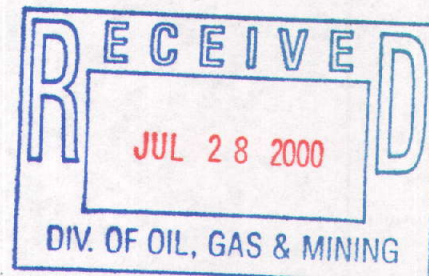
675 East 500 South, Suite 500  
Salt Lake City, Utah 84102-2818  
801-538-5100  
801-355-0922 (Fax)  
<http://www.trustlands.com>

Michael O. Leavitt  
Governor

David T. Terry  
Director

S/003/017

July 27, 2000



William Bown  
842 West 400 No.  
West Bountiful, UT 84087

RE: Delinquent Royalties; ML 44911-BSLS; DOGM # S/003/017, Green Beetle Quarry

Dear Mr. Bown,

On June 15, 2000, the Trust Lands Administration sent notice by Certified U.S. Mail, demanding payment of delinquent royalty and interest totaling \$3,082.00, by July 25, 2000, with respect to stone quarry operations conducted under the above numbered mineral lease. No response or payment has been received from Lessee as of the date of this letter. Lessee is therefore considered in default of the terms and conditions of ML 44911-BSLS with respect to payment of royalties. The lease is not in good standing and will expire at the end of the current lease year, August 31, 2000. Expiration of the lease does not excuse the Lessee from royalty payment obligations accruing under the lease.

The Trust Lands Administration holds Surety Bond No. 900633228 with Continental Casualty Company as Surety in the amount of \$5,000.00. This matter will be referred to the royalty auditing section of the Trust Lands Administration for possible collection of delinquent royalties.

Further, Rule R 850-3-200, disqualifies any applicant in default on any previous obligations with the Trust Lands Administration. You may therefore not participate in any future sales, exchanges, leases or permits upon trust lands until acceptable remedy is made for defaults under ML 44811-BSLS.

Sincerely,

John T. Blake  
Mineral Resources Specialist

CC: Lynn Kunzler  
Ron Carlson